

**NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Charity Registration No. SC013628

Company Registration No. SC215744 (Scotland)



NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Sandra McGowan Iain Bruce Karen Kemp
Secretary	Elizabeth Mayberry
Charity Number	SC013628
Company Number	SC215744
Registered Office	Cobelachan Moss-side Nairn IV12 5NZ
Independent examiner	James Wallace Alba Business Services 2a Commerce Street Elgin IV30 1BS
Solicitors	R & R Urquhart 20 High Street Nairn IV12 4AX

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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**NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTOR'S REPORT**

FOR THE YEAR ENDED 28 FEBRUARY 2019

The directors present their report and accounts for the year ended 28 February 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, Accounting and Reporting by Charities, Issued in March 2005.

Structure, governance and management

The charity is a charitable company limited by guarantee governed by its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, who served during the year were:

Sandra McGowan
Iain Bruce
Karen Kemp

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The overall management and policy decisions of the company are the responsibility of the board of directors who are elected under the terms of the company's Article of Association, annually at the AGM.

The directors have assessed the major risks of which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The charity encourages and develops appreciation, performance and production of the dramatic arts in all their forms. This is done with productions of club shows,

**NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTOR'S REPORT (CONTINUED)**

FOR THE YEAR ENDED 28 FEBRUARY 2019

The club continues to present a healthy financial position with a 23% increase on last year's income. This is largely attributed to donations, raffles and catering which were all improved by some 41% on equivalent items last year.

The success of the Christmas Panto Cinderella which ran for 14 performances between 21st November and 8th December produced a profit of £8,322 and in combination with Spring Adult Panto this amounted to £10,557 representing 51% of the club's income.

A Cast of Five had a successful four night run over August and September with Steel Magnolias.

The income from hires while healthy were down on that of last year.

The club played its part in the Nairn Book and Art Festival held in September with the theatre occupied on 8 nights of the 10 day event.

The club reinstated its time lapsed membership in the Touring Network in an attempt to source Touring Productions which would help diversify the income stream.

With the introduction of Nairn Connects, the new Business Improvement District introduced in December the club has a seat on the Board and intends to exploit promotional opportunities as part of the wider plan to market the town as an Important Tourist destination.

In February the club hosted the local heats of the SCAD 1 act play competition and club's production of a *A Different Way to Die* was successful in making it through to the Regional finals later in the year.

Despite various efforts at attracting new members the numbers continue to fluctuate but with this year's drop in membership income by the significant amount of 81% on last year's figure it highlights a serious issue.

The dilemma is that Hires dropped from 11% to 7% of income compared to last year this element of the income stream will continue on a downward trend unless a solution can be found to be the perennial problem of the decreasing number of members willing to go the extra mile in responding to hire requests. Whilst this has been a feature of previous annual reports such a significant drop in membership income needs to be addressed by the committee.

Iain Bruce
Director

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

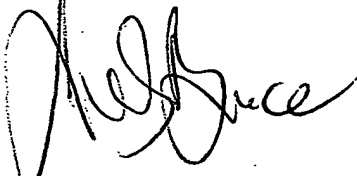
Financial review

The charity operates two main reserves. The general reserve represents unrestricted funds arising from past operating results and includes £30,000, which relates to the donated value of land. The restricted fund is a capital fund relating to the building of the Theatre and at 28 February 2019 held funds of £337,467 (2018 - £337,467).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Directors consider that reserves at this level will ensure that, in event of a significant drop in funding they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of directors



Iain Bruce

Director

Dated: 18 September 2019

**NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT**

TO THE DIRECTORS OF NAIRN DRAMA LIMITED

I report on the accounts of the charity for the year ended 28 February 2019, which are set out on pages 5 to 11.

This report is made of the charity's board of directors, as a body, in accordance with the terms of engagement.

My work has been undertaken to enable me to undertake an independent examination of the charity accounts on behalf of the charity's board of directors and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's board of directors as a body, for my work or for this report.

Respective responsibilities of directors and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Charity Directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

James Wallace FCCA
Alba Business Services
2a Commerce Street
Elgin
IV30 1BS

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2019

		Unrestricted funds	Restricted funds	Total	Total
	Notes	£	£	2019	2018
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary Income	2	3,403	-	3,403	2,708
Activities for generating funds		3,194	-	3,194	2,227
Investment income	3	-	-	-	-
		6,597	-	6,597	4,934
Incoming resources from charitable activities	4	13,732	-	13,732	10,109
Other incoming resources	5	1,762	-	1,762	1,876
Total incoming resources		22,092	-	22,092	16,919
Resources expended	6				
Charitable activities					
Production costs		3,465	-	3,465	4,450
Premises expenses		10,850	7,979	18,829	18,156
Other expenditure		3,093	1,751	4,844	4,413
Total charitable expenditure		17,408	9,730	27,137	27,019
Governance costs		600	-	600	600
Total resources expended		18,008	9,730	27,737	27,619
Net Income/(expenditure) for the year/ net movement in funds		4,084	-	5,646	10,700
Fund balances at 1 March 2018		48,755	294,780	343,535	354,235
Fund balances at 28 February 2019		52,839	285,050	337,889	357,745

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 28 FEBRUARY 2019

	Notes	2019 £	2018 £
Fixed assests			
Tangible assets	9	317,231	326,961
Current assets			
Debtors	10	506	729
Cash at bank and in hand		20,752	17,902
Creditors: amounts falling due within one year	11	<u>-600</u>	<u>-600</u>
Net current assets		<u>20,658</u>	<u>16,573</u>
Total assets less current liabilities		<u>337,889</u>	<u>343,534</u>
Income funds			
Restricted funds	12	337,467	337,467
Unrestricted funds		<u>422</u>	<u>6,067</u>
		<u>337,889</u>	<u>343,534</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 February 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts were approved by the board on 15/9/19



Sandra McGowan

Director

Company Registration No. SC215744

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Companies Act 2006, and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

The charity has availed itself of section 396 of the Companies Act 2006, as permitted in paragraph 4(1) of schedule 1 of Statutory Instrument 2008 No.409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

1.2 Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

There were no donated assets received by the charity. No amounts are included in the financial statements for services donated by volunteers.

1.3 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended net of VAT where applicable.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	2% straight line
Fixtures, fittings & equipment	15% reducing balance

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

NAIRN DRAMA LIMITED
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

2 Voluntary income

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Donations and gifts	3,403	0	3,403	2,708
Grants receivable for core activities	0	0	0	0
	<u>3,403</u>	<u>0</u>	<u>3,403</u>	<u>2,708</u>

Donations and gifts includes donations of £1,665 (2018 -£316), and sponsorships and memberships of £1,738 (2018 -£2,392).

3 Investment income

	2019	2018
	£	£
Interest receivable	<u>-</u>	<u>-</u>

4 Incoming resources from charitable activities

	2019	2018
	£	£
Ticket income	<u>13,732</u>	<u>10,109</u>

5 Other incoming resources

	2019	2018
	£	£
Other income	<u>1,762</u>	<u>1,876</u>

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

6 Total resources expended	Staff costs	Depreciation	Other costs	Total 2019	Total 2018
	£	£	£	£	£
Charitable activities					
<u>Production costs</u>					
Activities undertaken directly	-	-	3,465	3,465	4,450
<u>Premises expenses</u>					
Activities undertaken directly	-	7,979	10,850	18,829	18,156
<u>Other expenditure</u>					
Activities undertaken directly	-	1,751	3,093	4,844	4,413
	-	9,730	17,408	27,137	27,019
Governance costs	-	-	600	600	600
	-	9,730	18,008	27,737	27,619

Insurance of £1,567 (2018 -£1,630), light and heat of £997 (2018 - £1,987), repairs of £5,554 (2018 - £5,481), and depreciation of £7,979 (2018 - £7,979).

Other expenditure includes advertising of £71 (2018 -£66), general expenses of £1,912 (2018 - £2,527), subscriptions of £685 (2018 - £534), and depreciation of £1,751 (2018 - £1,287)

Governance costs includes independent examiner's fees of £600 (2018 - £600).

7 Directors

None of the trustees (or any persons connected with them) received any remuneration during the period.

One trustee were paid honorariums of £Nil (2018 - £750) towards reimbursement of expenses.

8 Employees

There were no employees during the year.

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

9 Tangible fixed assets

	Land and Buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2018	428,925	121,297	550,222
Disposals			
As at 28 February 2019	<u>428,925</u>	<u>121,297</u>	<u>550,222</u>
Depreciation			
At 1 March 2018	113,635	109,626	223,261
Charge for the year	<u>7,979</u>	<u>1,751</u>	<u>9,730</u>
As at 28 February 2019	<u>121,614</u>	<u>111,377</u>	<u>232,991</u>
Net book value			
At 28 February 2019	<u>307,311</u>	<u>9,920</u>	<u>317,231</u>
At 28 February 2018	<u>315,290</u>	<u>11,671</u>	<u>326,961</u>

Freehold land of £34,361 which is included within the land and buildings, is not depreciated.

10 Debtors

	2019	2018
	£	£
Other debtors	<u>506</u>	<u>729</u>

11 Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals	<u>600</u>	<u>600</u>

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

12 Restricted funds

The income funds of the charity include restricted funds comprising the following expended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at	incoming	Resources	Balance at
	01-Mar	resources	expended	28-Feb
	2018			2019
	£	£	£	£
Building fund	336,837	0	0	336,837
Babs Findlay Fund	500	0	0	500
Highland Council Touring Arts Fund	130	0	0	130
	<u>337,467</u>	<u>0</u>	<u>0</u>	<u>337,467</u>

Restricted funds represents capital funding received from various sources for the construction and equipping of the new theatre.

The company received funding from the Highland Council towards the costs of a mural on the outside of the theatre building. All specific funds raised for this mural have been expended and any further work will be met from unrestricted funds.

13 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	funds	funds	
	£	£	£
Fund balances at 28 February 2018 are represented by:			
Tangible fixed assets	- 20,236	337,467	317,231
Current assets	21,258	-	21,258
Creditors: amounts falling due within one year	- 600	-	600
	<u>422</u>	<u>337,467</u>	<u>337,889</u>

14 Control

The company is controlled by the directors on behalf of the members of the company.